

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

DEUTSCHE BANK TRUST COMPANY
AMERICAS, in its capacity as successor
indenture trustee for certain series of Senior
Notes, *et al.*,

Plaintiffs,

v.

SOWOOD ALPHA FUND LP, *et al.*,

Defendants.

C.A. No. 11-618 GMS

PLAINTIFFS' NOTICE OF STATUS REPORT AS OF NOVEMBER 29, 2011

Plaintiffs Deutsche Bank Trust Company Americas in its capacity as successor indenture trustee for a certain series of Senior Notes ("DBTCA"), Law Debenture Trust Company of New York, in its capacity as successor indenture trustee for a certain series of Senior Notes ("Law Debenture"), and Wilmington Trust Company, in its capacity as successor indenture trustee for a certain series of Exchangeable Subordinated Debentures referred to as the PHONES Notes ("Wilmington Trust", and together with DBTCA and Law Debenture, the "Plaintiffs") respectfully submit this notice of status report (the "Status Report") to the Court and all defendants.

1. After commencing this action, Plaintiffs moved this Court to enter a stay of proceedings for two principal reasons.¹ First, the order of the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") that allowed Plaintiffs to initiate this action required the Plaintiffs immediately to seek a stay of this action, given that certain parties

¹ See D.I. 20, at 2. On August 3, 2011, Plaintiffs filed *Plaintiffs' Motion to Stay Defendants' Time to Respond to the Complaint in this Action or Commence Motions Practice* (the "Motion To Stay"). See D.I. 19.

had filed pleadings seeking to have the Bankruptcy Court bar this and other related actions from proceeding. Second, the stay enables Plaintiffs to obtain a decision from the Judicial Panel on Multidistrict Litigation (the “Panel”) regarding Plaintiffs’ motion (the “Transfer Motion”) to transfer this and 43 related actions pending in 21 different federal districts (the “Avoidance Actions”) to the Southern District of New York for coordinated or consolidated pretrial proceedings, before the parties hereto commence litigating the merits of the case.

2. On September 23, 2011, the Court entered an order granting the Motion To Stay.²

3. By this Status Report, Plaintiffs seek to apprise the Court of recent developments relating to the Bankruptcy Court proceedings and the Transfer Motion, as proposed on page 11 of Plaintiffs’ Opening Brief in Support of Plaintiffs’ Motion to Stay Defendants’ Time to Respond to the Complaint in this Action or Commence Motions Practice.³

4. On October 31, 2011, the Bankruptcy Court issued a decision denying confirmation of both of the proposed plans of reorganization.⁴ With respect to the Avoidance Actions, the Bankruptcy Court determined that issues regarding standing, preemption, and applicability of §546(e) are not valid objections to either plan, and are best left for determination by the courts in which the Avoidance Actions are pending.⁵ Obviously, to the extent that the Transfer Motion is granted, the transferee court will rule on these defenses. The Bankruptcy Court did not, however, expressly revise its prior order directing Plaintiffs to stay the Avoidance Actions. As such, the Bankruptcy Court order directing a stay of these actions remains in effect at the present time.

² D.I. 70.

³ D.I. 20.

⁴ *See In re Tribune Co.*, No. 08-13141, 2011 WL 5142420 (Bankr. D. Del. Oct. 31, 2011).

⁵ *See id.* at *48.

5. Additionally, the Transfer Motion now has been fully briefed, and is scheduled for oral argument before the Panel on December 1, 2011.⁶ Plaintiffs expect a ruling from the Panel during the month of December.

6. Plaintiffs are available at the Court's convenience should the Court require anything further.

ASHBY & GEDDES

/s/ F. Troupe Mickler IV

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⁶ See *In re Tribune Fraudulent Conveyance Litigation*, MDL Case No. 2296 (Docket No. 925).